2/16/88 A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 1 JANUARY 1988

PAPER AND PAPERBOARD PRODUCTION CONTINUES TO INCREASE: RECORD HIGH TOTAL IN 1987

Paper and paperboard production in 1987, spurred by rising rates of activity in end-use markets and increases in paper and paperboard use within its markets, was a strong 5.1% higher than the previous year's total, outpacing real GNP by a factor of two. The 1987 production total was equivalent to 95% of the reported capacity, compared to 94% in 1986 and 90% in 1985.

Paper production rose 4.3% from 1986 to 1987, with the greatest contribution to this growth from coated papers and uncoated free sheet papers. At the year-end there was a strong backlog of unfilled orders in all the major printing-writing paper grades, with the levels ranging from 26% to 48% ahead of year-ago levels.

Coated paper shipments grew an exceptionally high 9.7%, reflecting increases in purchases from such major users as direct mail and newspaper inserts. The strength of demand was also reflected in a 167,000 tons per year increase in imports and a strong trend in unfilled orders.

Shipments of uncoated free sheet papers closed 1987 5.5% above last year's total. Significant increases in demand came in such major markets as office reprographics, up 11.7%, and commercial printers, up 10.9%.

Paperboard production, at 96.9% of capacity, gained 5.9% in 1987. This growth was well shared among all the major paperboard grades.

Unbleached kraft paperboard production was up 6.8% from 1986, the largest growth among the major paperboard grades. Production of semichemical paperboard rose 4.3%, while production of recycled corrugating medium gained 7%. These grades are used almost exclusively in the manufacture of fibre boxes; shipment of these boxes reached a record-high 297 billion sq. ft., 4.8% above its year-earlier high.

Recycled paperboard production grew 6.4% from the preceding year, and was equivalent to 92.9% of the reported capacity. Solid bleached production gained 3.2%, operating at 94.2% of capacity.

Continued on page 2

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MARKET WOOD PULP

Production of total market pulp (including dissolving wood pulp) in December 1987 surged from its relatively low November rate to a record-high 745,000 short tons, bringing the 1987 total to 8.2 million tons. Shipments reached a remarkable 835,000 tons as inventories were reduced by about 90,000 tons. The November production rate reflected mill shutdowns for maintenance and repair that had previously been taken in July and December. Strong export demand spurred the December surge in production.

Chemical paper grade market pulp production in December 1987 was a record 625,000 tons; the 1987 total 6.8 million tons, 7.9% above the 1986 record high. Shipments, however, rose by 5.5%, reflecting the different inventory trends in these two years.

Inventories of chemical paper grade market pulp declined by 61,000 tons in December, bringing the year-end total to a low 12 days of supply, 56,000 tons below the level at the end of December 1986.

Most of the increase in December shipments went to the export markets. For 1987 as a whole, export shipments of chemical paper grade market pulp amounted to 4.0 million tons, 7.5% above their 1986 total. The major gains were to Latin America and Asia/Africa, while shipments to Western Europe showed more modest gains. Shipments to the domestic market rose by 2.8%.

PRODUCTIVITY TRENDS ABROAD

In a recent article in the Monthly Labor Review, the Bureau of Labor Statistics reported that international trends in manufacturing productivity have recently shifted strongly in favor of the United States. Specifically, productivity in U.S. manufacturing rose 3.7% in 1986, a gain matched only by the United Kingdom. Japan, Belgium, Denmark, France, West Germany and Italy showed gains of 1 to 3 percent, while productivity remained flat in Sweden and declined slightly in the Netherlands and Norway.

The table below summarizes the manufacturing productivity trends in 12 countries -- all important to the United States paper industry -- for the 1960-1986 period. Highlights of the table include the steep trend of productivity growth in Japan and some of the Western European countries in the 1973-1979 period, particularly as compared to the 1.4% per year growth recorded in the United States. The turnaround in productivity growth in the United States since 1979 is also shown, along with the general slowdown evident in most other countries in 1986. While international data are not yet available for 1987, the BLS did report that manufacturing productivity in the United States rose by 3.2% from the first three quarters of 1986 to the comparable 1987 period. It is unlikely that very many of the countries shown in the table below matched the U.S. growth last year.

Table 1. Annual percent changes in manufacturing productivity, 12 countries, 1960–86

Year	United States	Canada	Japan	France	Germany	Italy	United Kingdom	Belgium	Denmark	Netherlands	Norway	Sweden
Output per hour												
1960–86	28	33	79	52	46	57	38	63	46	59	32	46
1960–73	32	45	103	65	58	75	42	69	64	74	43	64
1973–86	25	22	56	39	35	38	30	58	28	45	21	28
1973–79	14	21	55	49	43	33	12	60	42	55	21	26
1979–86	35	23	56	31	27	43	45	55	17	37	22	30
1985	51	25	73	31	41	15	38	30	-2	32	11	38
1986	37	-2	28	19	15	12	35	28	13	-3	-6	2

Note: Rates of change based on the compound rate method

PAPER AND PAPERBOARD STATISTICS

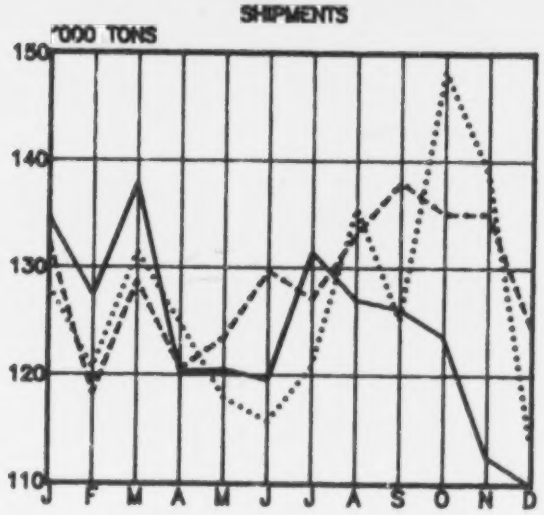
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1985	YEAR 1986	SEPTEMBER 1987 (P)	OCTOBER 1987 (P)	NOVEMBER 1987 (P)	DECEMBER 1987 (P)	Annual Rate Y T D 1987	% Change From Same Period Last Year
PAPER								
Newsprint - Production	5.428	5,630	494	508	482	499	5.842	3.8
- Shipments	5.431	5.638	498	502	484	508	5.854	3.8
Printing & Writing Sum (R)	18.423	19.625	1,764	1.813	1,723	1.784	20,750	5 7
Groundwood Paper - Shipments	1,521	1,540	126	124	112	110	1,491	-3.2
- New Orders	1,477	1,553	130	119	110	126	1.525	-1.8
-Unfilled Orders	106	124	153	148	147	167	167	34.3
Coated Papers - Shipments	5,875	6,263	591	603	587	592	6.869	9.7
- New Orders	5.642	6,334	570	629	551	618	7,070	11.6
- Unfilled Orders	393	469	666	693	643	696	696	48.4
Unctd Free Sheet - Shipments	9.690	10,410	928	967	907	960	10 983	5.5
- New Orders	9,704	10,485	946	1,026	913	974	11,119	6.0
- Unfilled Orders	509	587	650	705	708	744	744	26.6
Thin Papers - Shipments (R)	263	271	21	21	20	23	251	-7.1
Cotton Fiber Paper - Shipments	144	152	14	14	13	12	2.313 161	5.7
Bleached Bristols - Production	930	990	84	85	84	87	995	0.5
Tissue Paper - Production	4.941	5,095	447	458	454	475	5,341	4.8
Total Packaging & Other Paper	5,204	5.117	420	435	419	418	5.055	-1.2
Unbl. Kraft Paper - Shipments	3,403	3,303	258	259	243	251	3,064	-7.2
Other Paper - Production	1,801	1,814	161	176	176	168	1.991	9.7
TOTAL PAPER-Production-Unadj. (R)	33,997	35,466	3.125	3,214	3,077	3,177	36.987	4.3
-Production-S.A.			3.096	3.102	3.107	3.112		
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	25,404	27.336	2.424	2,405	2,330	2.474	28.899	5.7
Total Unbl. Kraft Paperboard	16,368	17,689	1,613	1,566	1,527	1,642	18.888	6.8
Unbl. Kraft Linerboard (1)	15,183	16,402	1,521	1,485	1,443	1,531	17,608	7.4
Production for Export	1,830	2,246	186	176	139	217	2,268	1.0
Other Unbl. Kraft Paperboard	1,184	1,287	92	81	84	111	1,281	-0.5
Semichemical Paperboard	5,088	5.376	469	474	458	450	5,605	4.3
Production for Export	189	213	14	13	11	12	186	-12.3
Solid Bleached Paperboard	3,948	4,271	342	365	345	382	4,405	3.2
Production for Export	466	569	47	43	46	47	564	-0.9
Recycled Paperboard	7,630	8,083	705	772	739	691	8,594	6.3
Production for Export	26	70	5	5	9	6	60	-14.0
TOTAL PAPERBOARD-Prod.-Unadj.	33,034	35.419	3,129	3,177	3,069	3,165	37,493	5.9
- Containerboard Prod.(Dom. Use)	20.042	21,426	1,976	1,970	1.938	1,947	23,026	7.5
- Boxboard Prod.(Dom. Use) (2)	5,673	5.903	492	538	505	515	6,168	4.5
- All Other P'bd Prod.(D.U.) (2)	4,808	4.992	410	433	420	421	5.220	4.6
- Total Paperbd Prod. for Export	2,511	3.097	251	236	206	282	3,079	-0.6
TOTAL PAPERBOARD PROD.- S.A.			3,149	3.159	3.169	3.179		
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	67,031	70,885	6.254	6.390	6.146	6.342	74,480	5.1
Production - S.A.			6,245	6,261	6,276	6,292		

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

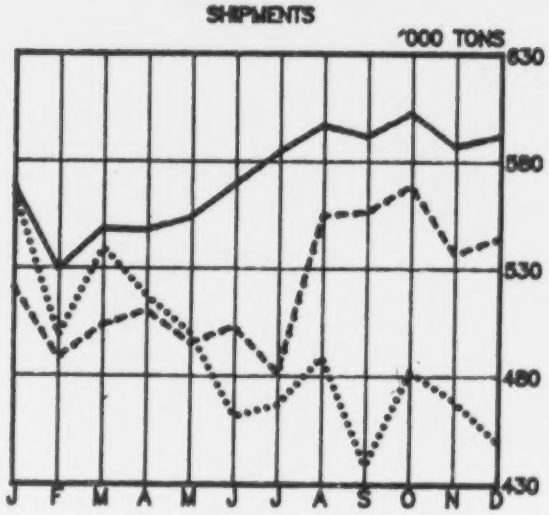
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



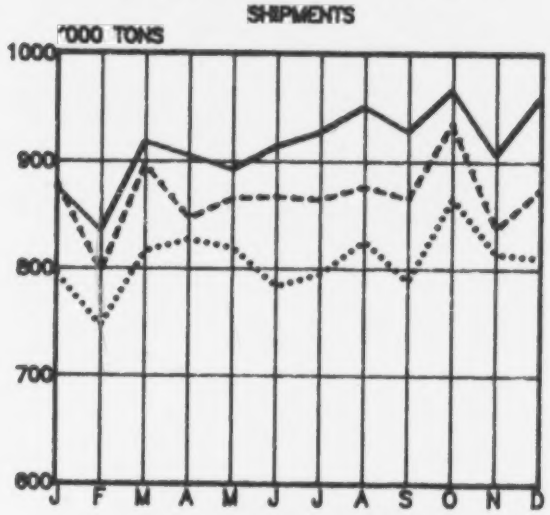
COATED PAPER

SHIPMENTS



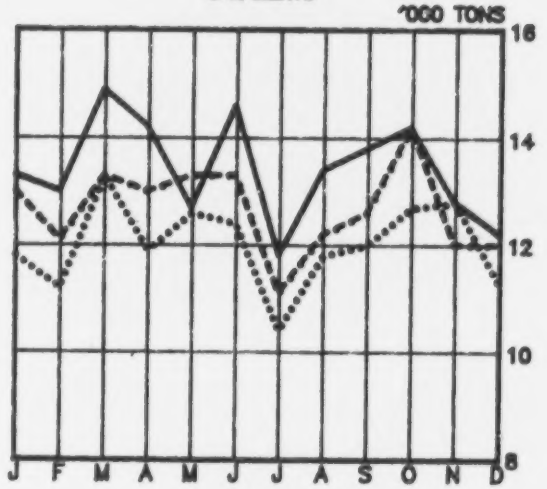
UNCOATED FREE SHEET PAPERS

SHIPMENTS



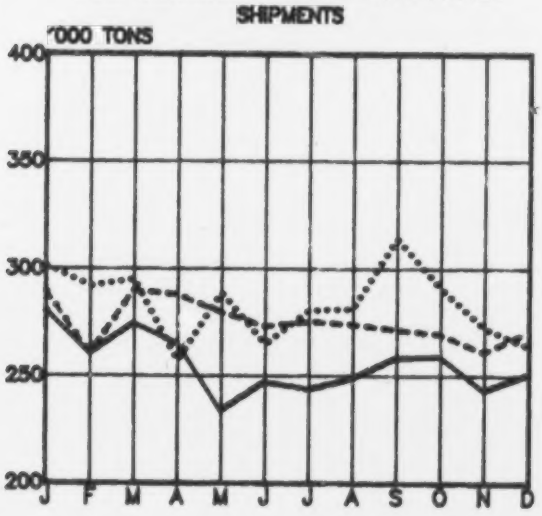
COTTON FIBER PAPER

SHIPMENTS



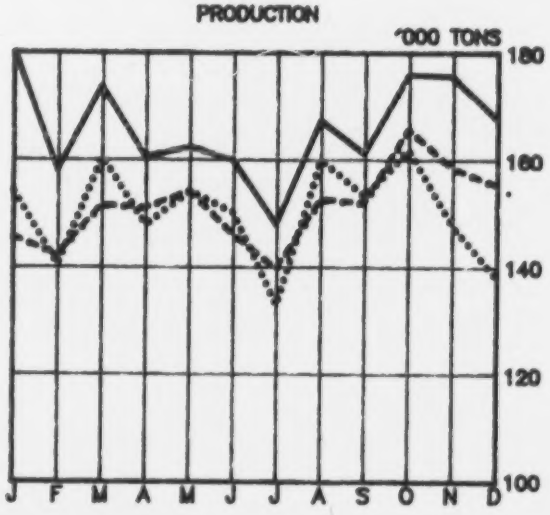
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1985 ..... 1986 - - - - - 1987 ———

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1985	YEAR 1986	AUGUST 1987	SEPTEMBER 1987	OCTOBER 1987	NOVEMBER 1987	Annual Rate Y-T-D 1987	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	54,147	57,017	5,083	4,925	5,066	4,812	59,370	4.4
- Imports	4,466	4,582	380	432	386	401	4,839	3.5
- Exports	3,791	4,458	390	442	333	365	4,760	7.8
- New Supply	54,821	57,140	5,073	4,915	5,119	4,848	59,449	4.1
Dissolving Pulp - Production	1,174	1,258	102	112	88	137	1,312	5.9
- Imports	175	255	22	19	19	9	206	-20.1
- Exports	631	711	62	65	53	61	741	5.4
New Supply	718	801	62	66	54	85	777	-2.1
Paper Grades - Production	43,696	46,081	4,162	3,947	4,110	3,851	48,090	4.7
Chemical Pulp - Imports	4,104	4,220	349	391	345	376	4,448	3.3
- Exports	3,131	3,689	326	376	278	301	3,995	9.4
- New Supply	44,668	46,612	4,186	3,963	4,176	3,925	48,544	4.2
Groundwood and - Production	5,251	5,487	487	506	501	472	5,706	4.1
Thermo-Mech. - Imports	187	198	8	22	23	17	185	67.6
- Exports	29	59	2	1	2	3	24	-61.5
- New Supply	5,409	5,536	493	527	523	486	5,867	6.1
Semi-Chemical - Production	4,027	4,191	333	359	367	352	4,261	1.6
- Imports								
- Exports								
- New Supply	4,027	4,191	333	359	367	352	4,261	1.6
MARKET WOOD PULP								
Total Market - Production	6,800	7,583	708	680	670	670	8,078	7.5
Wood Pulp - Imports	2,791	3,122	268	292	267	260	3,210	2.8
- Exports	3,784	4,470	369	469	383	317	4,678	7.4
- New Supply	5,807	6,235	607	503	554	613	6,610	5.2
Dissolving Pulp - Production	1,172	1,251	102	112	88	137	1,308	6.2
- Imports	174	212	19	15	14	8	159	-24.9
- Exports	667	718	54	88	56	47	750	8.4
- New Supply	679	745	66	40	46	99	717	-4.6
Paper Grades - Production	5,613	6,315	604	566	581	532	6,756	7.8
Chemical Pulp - Imports	2,531	2,831	245	269	240	246	2,949	4.3
- Exports	3,117	3,752	315	381	327	270	3,928	7.3
- New Supply	5,028	5,394	535	454	494	508	5,777	6.3
Groundwood Pulp - Production	15	17	1	1	1	1	14	-11.5
and All Other - Imports	86	79	4	8	13	6	101	22.2
- Exports	1	0	0	0	0	(0)	0	0.0
- New Supply	100	96	5	9	14	7	116	16.8

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

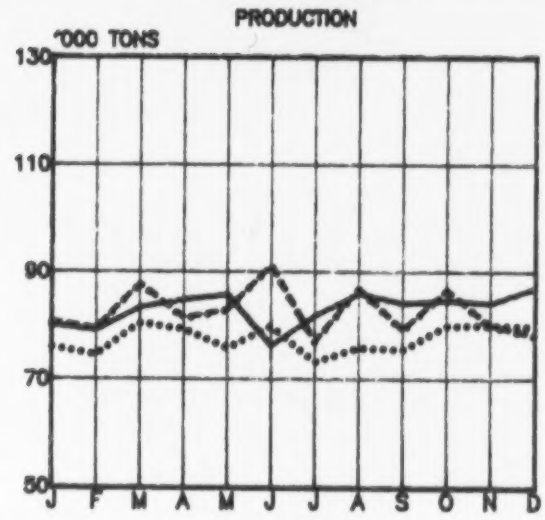
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	69,670	73,556	6,541	6,449	6,630	6,310	76,961	4.6
Total Wood Pulp	54,047	56,320	4,943	4,905	5,012	4,756	58,570	4.0
Waste Paper	15,623	17,236	1,598	1,544	1,619	1,553	18,391	6.4
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers Own-Use Inventories	165	174	177	167	161	162	162	-7.4
Producers Market Inventories	485	284	349	273	267	290	290	-17.8
Consumers Purchased Inventories	534	496	539	561	531	499	499	3.4
Waste Paper at Paper & Bd. Mills	969	832	745	804	832	811	811	3.1
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	30	16	18	14	14	15	15	-28.6

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

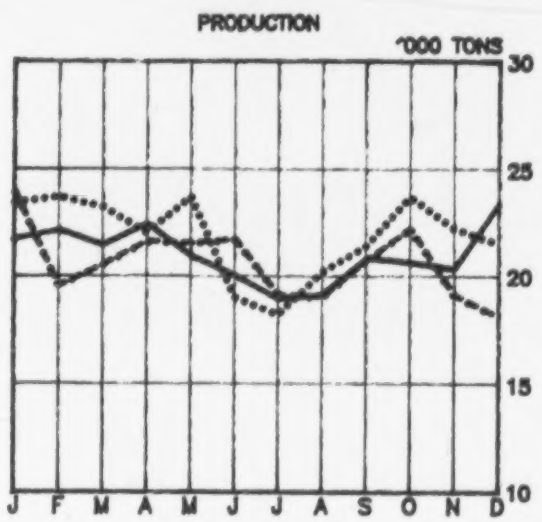
BLEACHED BRISTOLS

PRODUCTION



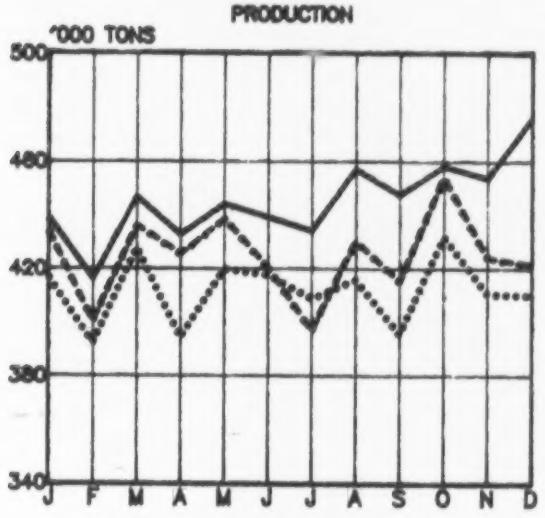
THIN PAPER

PRODUCTION



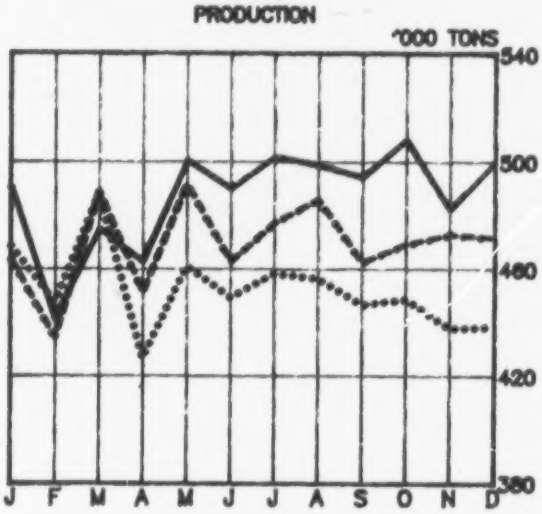
TISSUE PAPER

PRODUCTION



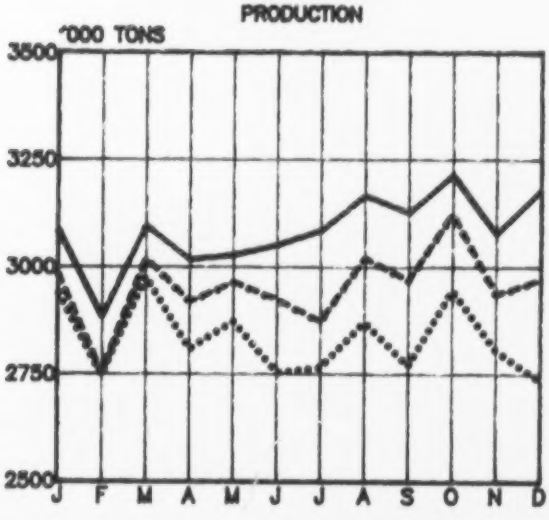
NEWSPRINT

PRODUCTION



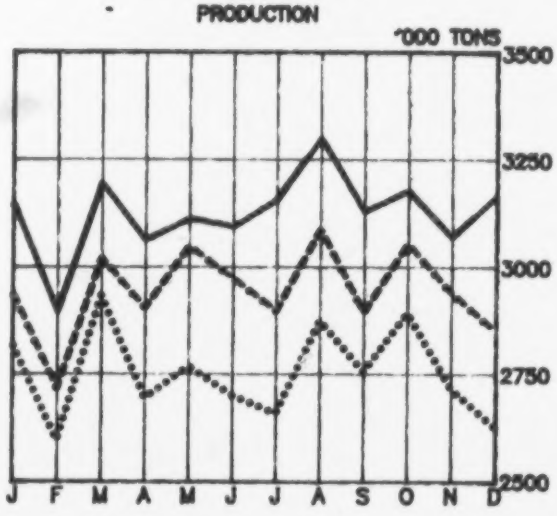
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1985 ..... 1986 -----1987 ——

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1985	YEAR 1986	AUGUST 1987	SEPTEMBER 1987	OCTOBER 1987	NOVEMBER 1987	Annual Rate Y-T-D 1987	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	85.499	90.943	7.543	8 361	8.436	7 227	94.155	3 6
	- Total Consumpt	85.744	91,434	7,729	7,856	7,984	7,401	93,583	2.6
	- Residues *	30,464	32,755	2.637	2.848	3.029	2 649	32,942	0 5
	- Inventories	5,046	4.794	4,703	5,044	5,301	5,211	5,211	6.2
So. Atlantic	- Total Receipts	27,589	29 513	2.529	2 826	2.814	2.462	31.277	5 5
	- Total Consumpt	27,815	29.425	2,519	2,773	2,605	2,466	30,789	5.0
	- Residues *	7,970	9,343	779	912	915	820	9.527	1 7
	- Inventories	1,117	994	1,040	1,114	1,256	1,248	1,248	17.7
Northeast	- Total Receipts	7.430	7.277	554	545	592	513	6 920	-4.5
	- Total Consumpt	7.394	7.227	596	539	599	559	7,125	-1.5
	- Residues *	1,539	1.419	117	129	134	126	1 540	7.5
	- Inventories	544	484	471	514	542	507	507	13.4
South Central	- Total Receipts	29.786	31.798	2,687	2.813	2.975	2.564	33.471	5 4
	- Total Consumpt	29.914	32,113	2,707	2,698	2,787	2.582	32.796	2.6
	- Residues *	9.207	9.792	758	819	867	771	10 023	2 6
	- Inventories	1,198	926	1.048	1,180	1,363	1,317	1,317	25.3
North Central	- Total Receipts	6.430	6.571	539	539	632	487	6.523	0 1
	- Total Consumpt	6.296	6.730	559	536	610	563	6.768	0.5
	- Residues *	1,298	1.042	104	109	165	117	1.212	16.3
	- Inventories	884	892	837	857	883	815	815	-0 6
West	- Total Receipts	14.264	15,792	1.334	1,338	1,423	1.201	16.165	1 6
	- Total Consumpt	14.325	15.939	1.348	1,310	1,383	1,231	16,145	0.8
	- Residues *	10,458	11,159	879	879	948	815	10.640	-6.1
	- Inventories	1,303	1,498	1,307	1,379	1,257	1,324	1,324	-13.5

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 01-Jan-88

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR 1986 Tons	YEAR 1986 ($000's)	SEPTEMBER Tons	SEPTEMBER 1987 ($000)	OCTOBER Tons	OCTOBER 1987 ($000)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	59,490	4,224	2,743	188	4.867	655	14.437	-77.7
Pulpwood chips	723,257	19,488	38,196	1,100	68,798	2,197	459,886	-38.2
Wood Pulp, Total	3,949,414	1,422,180	358.441	159.813	368.984	166.436	4.326.371	7 4
Waste Fibrous Materials, Total	157,870	27,196	13,718	2,655	17,851	3,745	184,096	14.4
Paper, Board & Products, Total	9,963,486	4.467.761	887.137	443.707	891,348	447.571	10.640.660	5.4
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	9,842,154	4,268,828	874,574	421,279	877.994	424,091	10,492,916	5.3
Paper, Paperboard & Products	9,715,710	4,393,592	869,654	438,671	875,616	442,813	10,411,746	5.8
Paper & Paperboard, Only	9.594,378	4,194,651	857.091	416.242	862,262	419.333	10.264.892	5.7
Paper, Total	9.367,388	4,138,464	834,377	408.931	842,298	412.528	10,009,008	5.5
Newsprint	8.269,333	3.556.983	718,321	339.534	728.265	347.455	8.638.964	3.0
Printing, Writing & Rel. Pap.	868,628	457.685	103,433	57,766	94,374	53,462	1,109,608	28.4
Pack. & Ind. Conv. Paper	182,481	81,492	16.844	8.449	15.782	8,317	215.667	17.3
Special Industrial Paper	4,766	7.893	365	705	510	888	5,440	20.1
Tissue Paper	42,173	26.411	3,415	2,476	3.358	2.415	39,338	-6.5
Paperboard, Total	226,998	64,187	22,714	7,312	19,972	6.805	254.994	11.7
Convtd Paper&Paperbd Products	121,332	198,941	12,563	22,428	13,354	23,480	147,744	19.5
Wet Machine Board	2,332	1,578	232	159	296	198	2.956	23.6
Construction Paper & Board	245,444	72,599	17,250	4.878	15.436	4.561	225,957	-10.8

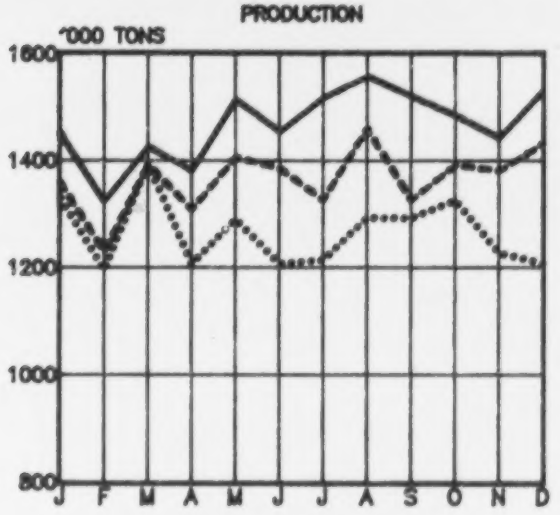
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	39,191	2,281	4.419	286	0	0	11.627	-71 5
Pulpwood chips	262,844	13,577	3,418	199	2,218	174	64,743	-73.1
Wood Pulp, Total	262,353	76.591	12,988	4.754	14.987	6.372	284.221	-22.9
Cotton Pulp & Other Pulp	33,629	10,458	4,152	844	3.872	1,112	54,651	63.5
Waste Paper	226,215	23.254	25.774	2.798	23.214	2.564	278.747	26.7
Paper, Board & Products, Total	725,421	464,684	87,260	50,478	83,544	53.988	959.950	32.7
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	570,635	315,718	63,917	34 546	66.282	37.616	712.696	25.4
Paper, Paperboard & Products	695,561	452,129	82.986	48,532	80,665	52.788	922,568	33.1
Paper & Paperboard, Only	568,775	383,154	58.744	32,600	63.483	36.416	675,315	25.5
Paper, Total	278,911	200,168	24,807	21,383	26,932	23.844	297,731	8.1
Newsprint	6.040	4.457	370	363	197	197	4 638	-14.3
Printing, Writing & Rel. Pap.	121,167	99,480	13,314	11,625	15,278	12,719	150.991	24.9
Pack. & Ind. Conv. Paper	25,614	16,467	3.134	1.609	1.982	1,578	25.528	-2 2
Special Industrial Paper	122 874	75,189	7,711	7,285	8,962	8,767	110.986	-7.4
Tissue Paper	3,217	4,577	278	502	592	591	5.596	67.9
Paperboard, Total	261.864	102.986	33.937	11,217	36,472	12,572	377,584	43.8
Convtd Paper&Paperbd Products	154,786	148.975	24,243	15.932	17.262	16.372	247.254	59.5
Wet Machine Board	10,728	4,638	990	483	797	396	10,595	-1.2
Construction Paper & Board	19,132	7,918	3,283	1,464	2.882	884	26.787	36.6

SOURCE: Bureau of Census, Department of Commerce E - Estimate of tonnage based on square foot data 01-Jan-88

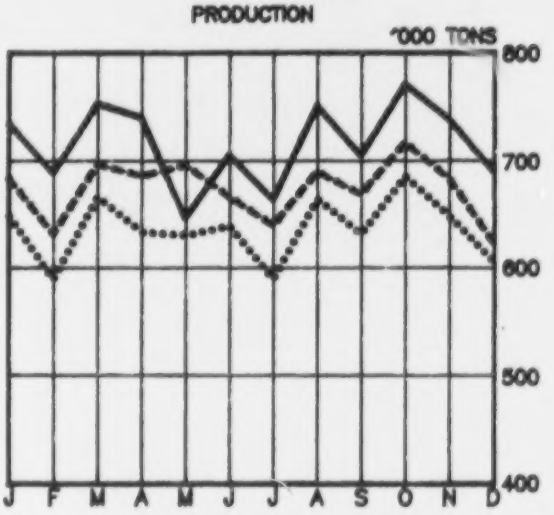
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



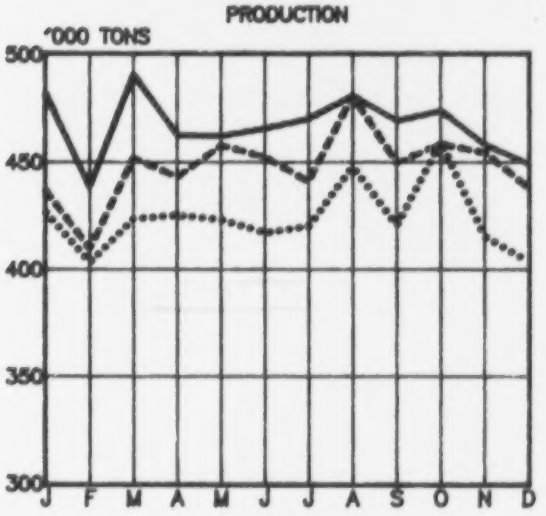
RECYCLED PAPERBOARD

PRODUCTION



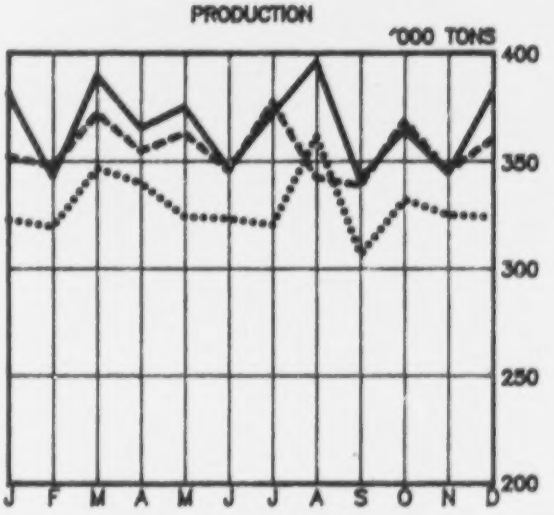
SEMICHEMICAL PAPERBOARD

PRODUCTION



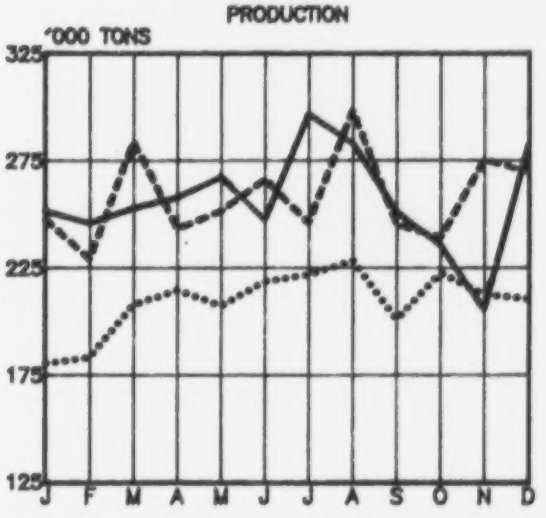
SOLID BLEACHED PAPERBOARD

PRODUCTION



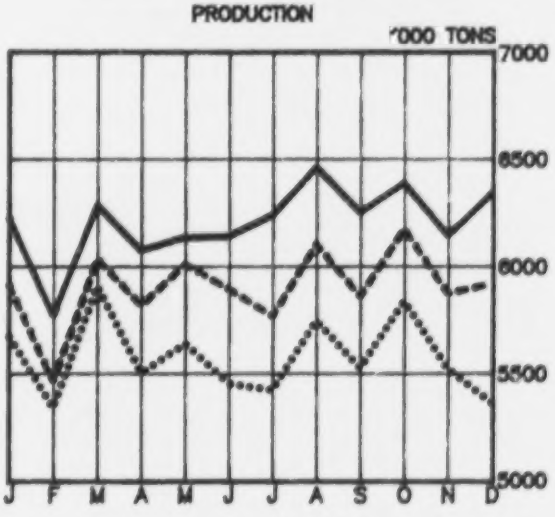
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1985 ····· 1986 - - - - 1987 ———

I M P O R T S

	YEAR 1986 Tons	YEAR 1986 $000	1987 OCTOBER Tons	1987 OCTOBER $000	1987 NOVEMBER Tons	1987 NOVEMBER $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	60,850	4,563	2,743	180	4,867	655	14,492	-78.08
Pulpwood Chips	724,828	19,642	39,172	1,129	63,276	2,244	588,999	-32.74
Total All Imports	16,722,494	7,674,736	1,524,766	804,458	1,554,937	822,906	17,923,429	5.59
Wood Pulp Total	4,581,768	1,681,378	386,234	171,393	401,228	181,855	4,839,399	3.49
Waste Paper	99,313	11,182	11,319	1,887	13,442	2,333	124,538	25.35
Other Fibrous Materials	104,969	26,326	3,851	1,787	5,629	2,893	77,412	-28.36
Paper Board & Products Total	11,936,452	6,035,850	1,123,362	629,551	1,134,638	636,625	12,882,079	6.54
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11,546,545	5,247,129	1,098,301	547,296	1,101,717	556,964	12,478,129	6.67
Paper Ppbd & Prds ex Cnst&WMB	11,596,888	5,920,457	1,098,946	621,997	1,112,737	629,176	12,564,819	7.88
Paper & Paperboard Only	11,206,991	5,139,735	1,065,884	539,741	1,079,816	549,514	12,161,378	7.15
Paper Total	10,925,453	5,051,917	1,038,265	530,448	1,058,858	537,889	11,798,673	6.55
Newsprint	8,587,587	3,682,351	746,481	355,654	776,615	368,142	9,028,911	3.54
Printing & Writing	2,029,382	1,179,802	257,322	152,513	245,878	148,788	2,398,733	17.21
Uncoated Groundwood	1,028,231	531,149	142,424	76,110	126,483	68,173	1,270,932	21.50
Coated Print.& Impreg. Pap.	501,382	359,495	74,738	50,664	65,823	47,414	668,268	33.31
Uncoated Free Sheet	453,638	254,627	36,988	22,691	49,856	30,218	418,724	-9.12
Uncoated Book	223,798	126,278	17,597	10,227	21,217	12,878	217,237	-2.95
Writing and Similar Paper	229,841	128,349	19,310	12,464	27,838	17,331	193,488	-15.17
Thin (except Cigarette)	45,351	33,831	3,128	2,911	3,574	2,856	48,842	2.73
Bristols	788	788	124	137	143	128	967	36.52
Total Pkg & Other Paper	242,571	146,212	29,163	18,131	22,373	15,623	312,775	29.27
Unbleached Kraft Paper	115,888	42,658	17,272	6,769	11,189	4,983	178,736	48.77
Other Pkg. & Indust. Paper	127,562	103,562	11,892	11,363	11,263	10,648	142,039	11.67
Tissue	66,873	43,552	5,379	4,158	6,784	5,263	58,253	-9.87
Paperboard, Total	281,448	87,818	27,619	9,293	28,966	11,785	362,397	31.26
Test or Containerboard	78,863	25,596	7,738	2,768	6,387	2,665	79,978	1.67
Semi-Chemical Corrugating	99,862	22,892	10,519	2,881	10,453	2,947	125,584	28.59
Other Paperboard	104,324	40,138	9,361	3,732	12,126	6,092	156,924	56.94
Convtd Paper&Paperbd Products	389,907	788,721	33,061	82,256	32,921	79,662	403,758	2.76
Paper Products, Total	361,517	730,257	30,558	76,615	30,860	74,866	369,867	1.61
Paperboard Products, Total	28,398	58,464	2,503	5,641	2,861	5,596	33,883	17.24
Wet machine Board	3,235	2,525	302	241	359	254	3,556	7.49
Construction Paper & Board	336,499	184,868	24,115	7,314	21,543	7,196	313,783	-9.19
Notes								
Other: No Weight Avail. ($000)		212,338		16,991		13,558	282,732	-5.82
Total Imports Incl. Other($000)		7,887,074		821,449		836,464	9,222,291	15.65

E X P O R T S

							(1)	
Pulpwood, Roundwood (cords)	42,190	2,373	4,419	286	0	0	13,679	-68.92
Pulpwood Chips	2,428,333	178,822	197,781	15,885	212,481	17,517	2,488,483	7.24
Total All Exports	13,951,152	4,685,447	1,175,886	466,866	1,214,875	490,986	14,550,570	12.22
Wood Pulp,Total	4,458,312	1,662,466	332,615	160,992	364,533	174,901	4,759,485	7.75
Cotton Pulp and Other Pulp	157,452	72,588	12,955	6,280	12,837	7,983	177,421	13.40
Waste and Old Paper	3,748,711	411,876	404,341	47,776	428,467	52,699	4,338,819	15.73
Paper, Board & Products,Total	4,686,677	2,539,485	425,175	251,819	409,838	255,483	5,274,925	13.59
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,168,179	1,851,616	363,786	184,974	348,399	183,973	4,552,288	10.18
Paper, Ppbd & Prod ex Cnst&WMB	4,592,635	2,487,587	415,353	245,963	397,917	249,697	5,166,771	13.56
Paper & Paperboard, Only	4,066,137	1,881,718	353,965	179,919	337,278	178,266	4,444,125	10.27
Paper, Total	883,689	642,597	76,216	61,343	77,188	69,548	913,216	4.78
Newsprint	392,228	194,549	25,865	16,614	27,378	19,175	337,965	-11.65
Printing & Writing	198,656	185,271	21,917	21,848	23,818	22,337	247,858	29.81
Uncoated Groundwood	48,847	28,947	5,966	4,171	5,482	3,782	55,739	35.75
Clay Coated Paper	78,248	57,856	8,485	6,367	10,113	7,571	99,847	27.38
Uncoated Free Sheet	58,148	71,354	6,137	8,377	5,712	8,859	66,538	34.85
Other Printing & Writing	21,420	27,114	1,329	2,125	1,792	2,126	24,933	15.74
Total Pkg. & Other Paper	284,848	241,426	23,657	23,117	23,995	25,723	298,414	2.98
Unbleached Kraft	78,248	32,889	7,161	3,315	7,651	3,287	86,861	8.49
Other Pkg. & Indust. Paper	205,888	209,417	16,496	19,802	16,344	22,436	204,153	0.72
Tissue	16,758	21,351	4,778	2,572	2,725	2,313	37,787	126.04
Paperboard, Total	3,182,448	1,159,121	277,748	116,575	260,170	108,718	3,530,909	11.81
Solid Wood Pulp	2,982,973	1,074,964	258,872	108,168	238,961	98,344	3,282,249	8.03
Total Linerboard	2,177,428	635,749	172,126	62,347	162,618	60,743	2,282,947	5.72
Bleached Kraft Linerboard	133,787	51,448	4,566	2,376	15,265	7,064	93,584	-33.31
Unbleached Kraft Linerbd	2,043,633	584,301	167,560	59,971	147,345	53,679	2,189,363	8.44
Other Unbleached Kraft	157,614	57,548	13,151	5,134	17,747	6,564	214,418	41.31
Other Bleached Kraft	571,298	359,954	61,268	39,233	46,179	29,342	638,988	10.87
Semi-Chemical Corrugating	76,641	21,713	3,534	1,455	4,426	1,695	65,992	-14.01
Recycled Paperboard	199,476	84,157	27,677	8,487	29,289	10,374	328,668	69.64
Convtd Paper&Paperbd Products	526,497	685,789	61,389	66,845	60,639	71,431	722,645	39.06
Paper Products, Total	240,171	456,429	24,324	45,858	24,131	46,198	298,184	24.84
Paperboard Products, Total	286,327	229,368	37,065	20,986	36,509	25,248	424,342	51.17
Wet Machine Board	18,893	7,259	1,693	786	1,888	518	17,946	-6.87
Construction Paper & Board E	75,149	44,639	8,129	4,278	10,833	5,197	90,288	20.46
Notes								
Other: No Weight Avail. ($000)		7,298		602		886	8,038	9.16
Total Exports Incl. Other($000)		4,692,745		466,668		491,712	5,905,878	27.11

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1985	1986	SEPTEMBER 1987	OCTOBER 1987	NOVEMBER 1987	DECEMBER 1987	Annual Rate Y T D 1987	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.0	293.9	316.9	319.0	320.1	321.0	312.4	6.3
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	294.5	295.9	318.3	320.5	321.7	322.6	313.9	6.1
Total Wood Pulp	346.6	358.7	444.8	445.2	445.9	448.8	424.7	18.4
Total Paper	303.4	306.3	321.4	324.9	327.1	328.3	319.2	4.2
Total Paper, exc. Newsprint	298.8	300.4	307.7	314.1	316.2	318.3	307.6	2.4
Newsprint	332.9	326.1	369.2	368.4	369.9	368.8	354.5	8.7
Total Paperboard	274.6	271.6	300.5	310.8	311.3	312.8	300.9	10.8
Total Paper and Paperboard *	294.4	295.3	317.4	320.5	322.1	323.4	307.4	6.1
Converted Products	288.1	289.3	306.3	308.1	309.4	309.7	303.3	4.8
Waste Paper	148.8	172.8	234.2	232.5	225.4	227.7	220.6	27.7
All Commodities	300.9	299.8	310.4	311.4	311.9	311.7	300.9	2.9
Industrial Commodities	324.0	312.1	323.3	324.9	325.4	325.3	320.4	2.6

SOURCE: Producer Price Indexes - Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

U.S. EXPORTS OF TOTAL PAPER, PAPERBOARD AND CONVERTED PRODUCTS
(000 short tons)

	1979	1984	1985	1986	1987*
Western Europe	1,020.5	950.4	688.5	860.6	896.2
Canada	645.7	756.5	736.1	724.7	955.1
Central & South America, (including Mexico)	1,064.0	1,012.7	1,020.3	1,111.3	1,267.1
Africa & Middle East	301.9	382.7	346.5	337.3	393.5
Oceania & Far East 1/	394.0	627.4	614.9	827.8	867.2
Japan	265.7	543.7	534.1	597.8	604.3
People's Republic of China	11.3	113.3	130.9	227.1	325.9
World	**3,704.2**	**4,386.9**	**4,071.6**	**4,686.8**	**5,310.1**

NOTE: U.S.S.R./Eastern Europe not shown separately

1/ This category does not include Japan or the People's Republic of China.

* 10 months of data at annualized rate

Source: U.S. Department of Commerce

PAPER AND PAPERBOARD EXPORT PATTERNS

U.S. exports of paper, paperboard, and converted products scored another impressive gain last year, rising 13.6% to an annualized rate of 5.3 million tons during the first 11 months of 1987. (See table on page 9.) Last year's vigorous performance followed a 15.1% advance in 1986 and in large measure reflected the return of the dollar's foreign exchange value to levels more consistent with economic fundamentals. When the dollar was overvalued, total exports of paper, paperboard, and converted products declined, 4% in 1984 and 7.2% in 1985. (See summary table on page 10 for annual export trends of paper, paperboard, and converted products by country of destination; a more detailed breakdown by major product category is provided on page 12. The 1987 figures in both tables are based on 10 months data.)

The strong growth performance of exports from 1985 to 1987 spanned all major categories, but was especially significant with respect to kraft linerboard (up 28%) and bleached paperboard (up 25%). However, most of the kraft linerboard gain came in 1986 when exports rose 20% over their year earlier total. The bleached paperboard export gains were more evenly distributed over the two-year period.

The Bureau of the Census reported that kraft linerboard exports in the first 11 months of 1987 ran at an annualized rate of 2.3 million tons. This was the strongest showing since 1980, when they amounted to 2.5 million tons. The most substantial increases in U.S. linerboard exports during the 1985-87 period were to the Far East and Oceania 1/ and to the People's Republic of China. China's share of U.S. linerboard exports more than doubled, from 6.1% in 1985 to 12.8% during the first 10 months of 1987. Although the tonnage volume of U.S. linerboard exports to Western Europe increased 19% between 1985 and 1987, the share accounted for by Western Europe declined slightly from 28.3% in 1985 to an estimated 26.3% last year. Exports of kraft linerboard to Japan accounted for 7.1% of the total in the first ten months of 1987, compared to 7.6% in 1986 and 8.3% in 1985.

Bleached paperboard exports, largely milk carton stock, were reported at an annualized rate of 638,900 tons during the first 11 months of 1987, representing a 10.9% gain relative to the previous year's annual volume. In 1986, bleached paperboard exports registered a 10.4% advance. Japan remained the leading source of demand for U.S. bleached paperboard exports in 1987, accounting for 28.6% of total tonnage volume in the first ten months of last year. That percentage was down from 33.2% in 1985 and 30.9% in 1986. Canada and the Far East and Oceania increased their respective market shares since 1985. (See table on page 12.)

U.S. exports of paper -- mainly newsprint, printing-writing, and special industrial -- increased 13.4% in 1986 and then gained another 3.2% during the initial 11 months of 1987, reaching an annualized rate of 913,216 tons. Canada remained the largest importer of paper from this country during the first 10 months of 1987, accounting for 32.4% of U.S. paper exports. Japan ranked second in terms of U.S. paper exports last year, with a 25.7% market share. Most of this was newsprint.

1/ The category Far East and Oceania does not include Japan or the People's Republic of China.

Continued on page 12

U.S. EXPORTS BY AREA OF DESTINATION
(000 short tons)

KRAFT LINERBOARD

	1979	1984	1985	1986	1987*
Western Europe	711.1	712.1	511.3	636.1	607.7
Canada	54.6	37.0	39.6	41.6	45.0
Central & South America	434.2	451.4	442.3	473.1	506.5
Africa & Middle East	170.3	252.7	244.1	228.3	239.7
Oceania & Far East 1/	189.7	330.0	309.9	449.8	456.1
Japan	74.4	164.7	150.1	166.1	163.6
People's Republic of China	10.5	109.9	109.8	182.4	295.5
World	**1,644.9**	**2,058.0**	**1,807.2**	**2,177.4**	**2,314.1**

BLEACHED PAPERBOARD

	1979	1984	1985	1986	1987*
Western Europe	82.1	78.3	53.0	60.8	68.0
Canada	66.7	73.7	77.9	87.6	106.8
Oceania & Far East 1/	79.5	94.0	107.9	132.4	152.9
Japan	119.2	166.8	171.7	176.6	184.9
Other	161.1	130.4	107.0	113.9	134.2
World	**508.6**	**543.2**	**517.5**	**571.3**	**647.4**

TOTAL PAPER

	1979	1984	1985	1986	1987*
Western Europe	79.3	36.0	34.4	37.8	47.0
Canada	194.7	296.8	271.6	278.9	295.2
Oceania & Far East 1/	69.5	123.8	119.8	146.2	149.4
Japan	23.5	199.4	197.1	236.2	234.7
Other	234.0	154.6	156.0	184.7	185.9
World	**600.9**	**810.6**	**779.0**	**883.8**	**912.1**

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* 10 months of data at annualized rate

1/ This category does not include Japan or the People's Republic of China.

Source: U.S. Department of Commerce